

**SECOND AMENDED**

**BY-LAWS**

**OF**

**OZARK REGIONAL TRANSIT, INC.**

**ARTICLE I  
OFFICES**

**1.01 Registered Office.** The registered office of "Ozark Regional Transit, Inc.," a corporation organized under the "Arkansas Nonprofit Corporation Act of 1993" (hereinafter the "Corporation") shall be located at 280 North College, Suite 210, Fayetteville, Washington County, Arkansas.

**1.02 Registered Agent.** The registered agent of the Corporation shall be Jerry Hunton, whose address shall be the registered office of the Corporation set out Under Section 1.01 of this Article I.

**1.03 Other Offices.** The Corporation may also have offices at other places in or out of the State of Arkansas as the Board of Directors may determine from time to time.

**ARTICLE II  
DIRECTORS**

**2.01 Management.** The affairs of the Corporation shall be managed by the Board of Directors who may exercise all powers of the Corporation and do all such lawful acts and things as are not (by statute or by the Articles of Incorporation or by these bylaws) directed or required to be exercised or done by the Members.

**2.02 Number; Qualification; Term.** The Board of Directors shall consist of at least four (4) permanent members; the County Judges of Washington, Benton, Carroll and Madison Counties or their designees. Additional permanent members may consist of the mayors or their designees of the incorporated cities of all four (4) counties when anyone of them exercises their right to be seated. Furthermore, upon Board approval by majority vote, a representative of any unincorporated community within said counties may be entitled to be a permanent member. Acceptance of a seat on the Board by any person or public official shall not be deemed as an acceptance, personally or officially, of any liability of this corporation or its predecessor, Community Resource Group.

Furthermore, acceptance of the seat on the Board shall not be deemed an acceptance of assets and liabilities of Community Resource Group except upon majority vote of the Board. Furthermore, acceptance is conditional on appropriate liability insurance to protect Board members.

**2.03 Place of Meetings.** Meetings of the Board of Directors, regular or special, shall be held at such places and at such times as shall be determined by the Board of Directors, within the State of Arkansas, or at such other place as shall have been designated in the notice of the meeting. Directors are permitted to participate in any meeting through the use of any means of communication by which all Directors participating may simultaneously hear each other during the meeting.

**2.04 Annual Meetings.** The Board of Directors shall hold an annual meeting each year.

**2.05 Regular Meetings.** Regular meetings of the Board of Directors may be established by resolution of the Board and shall include the places and the times for them to be held.

**2.06 Special Meetings.** Special meetings of the Board of Directors may be called by the Chairman or by any two (2) Directors with two (2) days' notice of the date, time and place of the meeting to each Director, either

personally or by mail, e-mail, or fax. The purpose of the special meeting must be specified in the notice of the meeting.

**2.07 Waiver of Notice.** A Director may at any time waive notice of meeting by filing with the Secretary a signed writing waiving such notice. Attendance at or participation in a meeting waives any required notice unless upon arriving at such meeting the Director objects to lack of notice and does not thereafter vote on or assent to the objected action.

**2.08 Quorum: Majority Vote.** At meetings of the Board of Directors a majority of the number of Directors fixed by these bylaws shall constitute a quorum for the transaction of business. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise specifically provided by statute, the Articles of Incorporation, or these bylaws. If a quorum is not present at a meeting of the Board of Directors, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. In the event a proxy is conferred, said proxy may be counted for purposes of constituting a quorum.

**2.09 Compensation.** No member of the Board shall receive any compensation, whether in form of salary, per diem allowance, or otherwise, for or in connection with their services as a Director. Each Director shall, however, be entitled to reimbursement by the Corporation for reasonable expenses incurred in connection with the performance of their general duties as a Director.

**2.10 Procedure.** The Board of Directors shall keep regular minutes of its proceedings. The minutes shall be placed in the minute book of the Corporation.

**2.11 Freedom of Information Act.** The requirements of the Freedom of Information Act shall apply to any action or meeting, formal or informal.

**2.12 Resignation.** A Director may resign at any time by delivering written notice to the Board of Directors, its presiding officer, or the Executive Director or Secretary of the Corporation. The resignation shall be effective when the notice is effective unless the notice specifies a later effective date. If the resignation is made effective at a later date, the Board may fill the pending vacancy before the effective date if the Board provides that the successor does not take office until the effective date.

**2.13 Proxy Voting.** ~~There shall be no proxy voting by the Board of Directors. Any Board Member may give his or her proxy to another Board Member including the Chairman. Said proxy shall be in writing and shall be valid only for the time set out in the appointment of proxy.~~

### ARTICLE III NOTICE

**3.01 Method.** Whenever notice is required by statute, the Articles of Incorporation, these bylaws, or otherwise, to be given to a Director, and no provision is made as to how the notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given: (a) in writing, by mail (either first class or registered), postage prepaid, addressed to the Director at the address appearing on the books of the Corporation; or (b) in any other method permitted by law. Any notice required or permitted to be given by mail (either first class or registered) shall be deemed given at the time when the same is thus deposited in the United States mails.

**3.02 Waiver.** Whenever, by statute or the Articles of Incorporation or these bylaws, notice is required to be given to a Director, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance at a meeting shall constitute a waiver of notice of such meeting, except where a person attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

## ARTICLE IV OFFICERS AND AGENTS

### **4.01 Number; Qualification: Election: Term.**

(a) The Corporation shall have: (1) a Chairman, and a Secretary, and (2) such other officers and assistant officers and agents as the Board of Directors considers necessary.

(b) Officers and agents shall be elected by the Board of Directors on the expiration of an officer's term or whenever a vacancy exists.

(c) Unless otherwise specified by the Board at the time of his or her election or appointment, or in an employment contract approved by the Board, each officer's and agent's term shall end at the first meeting of Directors after the next annual meeting. He or she shall serve until the end of his or her term or, if earlier, his or her death, resignation, or removal.

(d) Any two (2) or more offices may not be held by the same person.

**4.02 Removal.** Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the Corporation will be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

**4.03 Vacancies.** Any vacancy occurring in any office of the Corporation (by death, resignation, removal, or otherwise) may be filled by the Board of Directors.

**4.04 Authority.** Officers and agents shall have such authority and perform such duties in the management of the Corporation as are provided in these bylaws or as may be determined by resolution of the Board of Directors not inconsistent with these bylaws.

**4.05 Compensation.** No officer or agent of the Board shall receive any compensation, whether in form of salary, per diem allowance, or otherwise, for or in connection with their services as a member. Each officer or agent of the Board shall, however, be entitled to reimbursement by the Corporation for any necessary expenditures incurred in connection with the performance of their general duties as an officer or agent of the Board.

**4.06 Chairman.** The Chairman shall preside at all meetings of the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors from time to time.

### **4.07 Secretary.**

(a) The Secretary shall attend all meetings of the Board of Directors and certify all votes, actions, and the minutes of all proceedings in a book kept for that purpose.

(b) The Secretary shall certify that notice was given of all meetings or special meetings to the Board of Directors.

(c) The Secretary shall perform such other duties as may be prescribed by the Board of Directors from time to time. In the absence of the Chairman of the Board, or in the event of an inability or refusal of the Chairman to act, the Secretary of the Board shall perform the duties of the Chairman, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman.

**4.08 Temporary Chairman.** In the absence or refusal of both the Chairman of the Board and the Secretary of the Board to act, the Board members present at any meeting at which a quorum is present, shall elect by simple majority a Temporary Chairman to preside over the meeting and for such additional time as the Board shall deem appropriate. The Temporary Chairman when so acting shall have all the powers of and be subject to all the restrictions upon the Chairman.

**4.09 Vacancies.** If the office of the Chairman or the Secretary becomes vacant by reason of death, resignation or removal, the Board of Directors shall elect a successor who shall hold office for the unexpired term, and until his or her successor is elected.

**4.10 Resignation.** An officer may resign at any time by delivering notice to the Secretary of the Corporation, or its Chairman, such resignation to be effective when the notice is effective, unless the notice specifies a future date. If a resignation is made effective at a future date and the Corporation accepts the future effective date, the Board of Directors may fill the pending vacancy before the effective date if the Board provides that the successor does not take office until the effective date.

## **ARTICLE V EXECUTIVE DIRECTOR**

**5.01 Chief Operating Officer.** The Executive Director will be the chief operating officer of the corporation and will have general and active management of the Corporation.

**5.02 Contracting Authority.** The Executive Director may not bind the Corporation or pledge its credit except upon Board approval.

**5.03 Other Duties.** The Executive Director will see that all policies and resolutions of the Board are carried into effect and will perform such other duties as the Board prescribes.

**5.04 Acceptance of Funds.** The Executive Director may apply for, receive, decline, and use any grants-in-aid, appropriated funds, donations, and contributions from any source, and can accept and use any bequests, devises, gifts, and donations from any person, firm, corporation or governmental unit for the charitable or public purposes of this Corporation. In accordance with these powers, the Executive Director shall assure that the following tasks are accomplished for the Corporation:

(a) The Executive Director or its designee shall have the custody of the corporate funds and securities, shall keep full and accurate accounts of receipts and disbursements of the Corporation, and shall deposit all funds and other valuables in the name and to the credit of the Corporation in depositories designated by the Board of Directors.

(b) The Executive Director or its designee shall disburse the funds of the Corporation as ordered by the Board of Directors, and prepare financial statements as the Board directs.

(c) If required by the Board of Directors, the Executive Director or its designee shall give the Corporation a bond (in such form, in such sum, and with such surety or sureties as shall be satisfactory to the Board) for the faithful performance of the duties of his/her office and for the restoration to the Corporation, in the case of his/her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in their possession or under his/her control belonging to the Corporation.

## **ARTICLE VI GENERAL PROVISIONS**

**6.01 Books and Records.** The Corporation shall keep at its registered office or principal place of business.

**6.02 Checks and Notes.** Checks, demands for money, and notes of the Corporation shall be signed by the person(s) designated from time to time by the Board of Directors.

**6.03 Fiscal Year.** The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

**6.04 Resignation.** A Director or officer of the Corporation may resign by giving written notice to the Board of Directors, to the Chairman, or to the Secretary. The resignation shall take effect at the time specified in it, or immediately if no time is specified. Unless it specifies otherwise a resignation takes effect without being accepted.

**6.05 Amendment of Bylaws.** The Board of Directors may adopt one (1) or more amendments to the corporation's bylaws in accordance with Ark. Code Ann. §4-33-1020. Notice of the meeting at which such amendment is to be approved shall be provided in accordance with Ark. Code Ann. §4-33-822(c). The notice must state that the purpose, or one of the purposes, of the meeting is to consider a proposed amendment of the bylaws and contain or be accompanied by a copy or summary of the amendment or state the general nature of the amendment. The amendment must be approved by a majority of the Directors in office at the time the amendment is adopted.

**6.06 Amendment to Articles of Incorporation.** An amendment to the Corporation's Articles of Incorporation must be approved as follows:

The Board of Directors may adopt one (1) or more amendments to the corporation's Articles of Incorporation in accordance with Ark. Code Ann. §4-33-1020. Notice of the meeting at which such amendment is to be approved shall be provided in accordance with Ark. Code Ann. §4-33-822(c). The notice must state that the purpose, or one of the purposes, of the meeting is to consider a proposed amendment to the Articles of Incorporation and contain or be accompanied by a copy or summary of the amendment or state the general nature of the amendment. The amendment must be approved by a majority of the Directors in office at the time the amendment is adopted.

**6.07 Construction.** Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall include the plural, and conversely. If any portion of these bylaws shall be invalid or inoperative, then, so far as is reasonable and possible the remainder of these bylaws shall be considered valid and operative.

**6.08 Table of Contents; Headings.** The table of contents and headings are for organization, convenience and clarity. In interpreting these bylaws, they shall be subordinated in importance to the other written material.

**6.09 Relation to Articles of Incorporation.** These bylaws are subject to, and are governed by, the Articles of Incorporation of the Corporation.

**6.10 Seal.** The Corporation Seal shall contain the name of the Corporation and the name of the State of Incorporation. The seal may be used by impressing it or reproducing a facsimile of it, or otherwise.

**6.11 Conflict of Interest Transactions.** The Board of Directors may ratify and approve a conflict of interest transaction if it receives the affirmative vote of a majority of Directors on the Board who have no direct or indirect interest in the transaction. Such a transaction may not be approved by less than a majority vote of the entire Board of Directors.

**6.12 Loans or Guarantees for Directors or Officers.** The corporation may not lend money to nor guaranty the obligation of a Director or officer of the corporation.

**6.13 Merger.** In the event that a plan of merger between the Corporation and another eligible corporation is proposed, approval of such plan must be obtained by the Board and the merger must be approved by a majority of the Directors in office at the time the merger is approved. In addition, the Corporation must provide notice of any Directors' meeting at which such approval is to be obtained, in accordance with Ark. Code Ann. §4-33-822(c). The notice must also state that the purpose of the meeting is to consider the proposed merger.

**6.14 Delivery to Secretary of State of Articles of Merger.** After a plan of merger is approved by the Board of Directors it shall deliver to the Secretary of State the Articles of Mergers, setting forth:

the Plan of Merger -- a statement that the plan was approved by a sufficient vote of the Board of Directors.

**6.15 Disposition of Property.** The Corporation may sell, lease, exchange or otherwise dispose of all, or substantially all, of its property in the usual course of its activities. If the proposed sale, lease, or exchange is not in the usual course of activity, then the proposed transaction must be approved by the Board, and by two-thirds (2/3) of the votes cast or a majority of the voting power, whichever is less. If the Corporation has no members, then the transaction must be approved by a vote of a majority of the Directors in office at the time the transaction is approved. The corporation shall provide notice of any Directors' meeting at which such approval is to be obtained, in accordance with Ark. Code Ann. §4-33-822(c). The notice must also state that the purpose, or one of the purposes, of the meeting is to consider the sale, lease, exchange, or other disposition of all, or substantially all, of the property or assets of the corporation, and contain or be accompanied by a copy or summary of a description of the transaction. If the Corporation has members, the corporation shall give notice to such members of the meeting to discuss the proposed transaction, in accordance with Ark. Code Ann. §4-33-705. The notice must state that the purpose of the meeting is to consider the sale, lease, exchange, or other disposition of all, or substantially all, of the property or assets of the corporation and contain or be accompanied by a copy or summary of a description of the transaction.

The Corporation may mortgage, pledge, dedicate to the repayment of indebtedness, or otherwise encumber any or all of its property whether or not in the usual course of its activities.

**6.16 Distributions.** Except as authorized under Ark. Code Ann. §4-33-1302 and the Articles of Incorporation of the Corporation, the Corporation shall not make any distributions.

## ARTICLE VII INDEMNITY

**7.01 Directors and Officers Indemnification.** Every person who was or is a party or is threatened to be made a party to or is involved in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is or was a Director or officer or agent acting on behalf of the Corporation, shall be indemnified and held harmless to the fullest extent legally permissible under and pursuant to the procedures specified in the Arkansas Nonprofit Corporation Act of 1993 of the State of Arkansas, as amended:

Except to the extent that his or her conduct was not undertaken in good faith, and;

Except to the extent that he or she did not reasonably believe that his or her conduct was in the best interests of the corporation, and;

Except to the extent that he or she believed that his or her conduct was opposed to the best interests of the corporation, and;

Except to the extent that he or she had reasonable cause to believe that his or her conduct was unlawful.

This section does not extend indemnification to a person for judgments delivered in a court of law of the United States government, or any court of law in a state or municipality of the United States, against such person adjudging such person liable to the Corporation. This section does not extend indemnification to a person for liabilities incurred in a settlement of any suit filed in a court of law of the United States government or its states and municipalities, when the conduct of such person as it pertains to the matters alleged in the lawsuit does not meet the standard set forth in this Section 7.01 a) through 7.01 d). This section does not extend indemnification to a person for liabilities arising from improper receipt of personal benefits. In any event, indemnification shall be limited to the reasonable expenses incurred in defending a person against liability, as well as any liabilities adjudged against him or her for which indemnification may properly be extended hereunder.

## **ARTICLE VIII EMERGENCIES**

**8.01      Emergency.** In the event an emergency, as defined under Ark. Code Ann. §§4-33-207(d) and 4-33-303(d), the provisions contained in each respective code section shall apply to the Directors and members of the corporation, and any person acting in good faith and in accordance therewith shall be indemnified and held harmless from liability for actions executed in accord thereunder and shall enjoy the full scope of rights set forth under Article VII Section 7.01.

## **ARTICLE IX DISSOLUTION**

**9.01      Procedure for Dissolution when Corporation has no Members.** If the Corporation has no members, then a majority of the Incorporators or Directors may dissolve the corporation by delivering to the Secretary of State Articles of Dissolution. The Corporation shall give notice of any meeting at which dissolution will be approved. The notice shall be in accordance with Ark. Code Ann. §4-33-822(c) and shall state that the purpose, or one of the purposes, of the meeting is to consider dissolution of the corporation. The Incorporators or Directors in approving dissolution shall adopt a plan of dissolution indicating to whom the assets owned or held by the corporation will be distributed after all creditors have been paid. Dissolution must be approved by a vote of a majority of the Directors in office at the time the transaction is approved.

**9.02      Procedure for Dissolution when Corporation has Members.** If the Corporation has members, then dissolution is authorized if it is approved by the Board, and by an affirmative member vote of two thirds (2/3) of the votes cast or a majority of the voting power, whichever is less. Notice of the meeting to discuss the proposal for dissolution shall be given to the members of the Corporation in accordance with Ark. Code Ann. §4-33-705. The notice must state that the purpose, or one of the purposes, of the meeting is to consider dissolving the corporation and contain or be accompanied by a copy or summary of the plan of dissolution.

**9.03      Plan of Dissolution.** The plan of dissolution shall indicate to whom the assets owned or held by the Corporation will be distributed after all creditors have been paid.

**9.04      Articles of Dissolution.** The Articles of Dissolution shall set forth:

- a) The name of the Corporation;
- b) The date dissolution was authorized;
- c) A statement that dissolution was approved by a sufficient vote of the Board;
- d) If approval of members was not required, a statement to that effect and a statement that dissolution was approved by a sufficient vote of the Board of Directors or Incorporators.

**CERTIFICATION OF ADOPTION**

The foregoing bylaws of the Corporation have been duly adopted this 31st day of March, 2004, by action of the Board of Directors of the Corporation pursuant to the laws of this State.

IN TESTIMONY THEREOF witness the hand of the undersigned as Secretary of the Corporation on such date.

Wes Fowler

Secretary

(SEAL)